



5 May 2020

## ASX Aware Query Response

De Grey Mining Limited (ASX: DEG, **De Grey** or **Company**) provides the following response to the questions contained within a letter from ASX Limited ("ASX") titled "*De Grey Mining Limited ("DEG") Aware Query*" dated 1 May 2020 and received by email 4.27pm WST (**Aware Query**).

Terms defined in the ASX Aware Query have the same meaning where used in this response.

1. *Does DEG consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

The Information that is referred to in clause D of your letter was the subject of the announcement made by the Company on 28 April 2020 (**Announcement**) and therefore the Company does consider it to be information that a reasonable person would expect to have a material effect on the price or value of its securities by the very fact it made the relevant announcement.

In making that Announcement, it should be noted that the Company requested and then entered into a trading halt without delay after it signed a capital raising mandate with Bell Potter and Argonaut. The trading halt commenced pre-open on 23 April 2020 for the purpose of the Company seeking commitments for the capital raising under the mandate.

2. *If the answer to question 1 is "no", please advise the basis for that view.*

Not applicable.

3. *When did DEG first become aware of the Information?*

The Company sets out the following matters that are relevant as background to when it became aware of the Information.

De Grey had previously raised capital through Bell Potter in November 2019 under a mandate which included a trailing first right of refusal over future capital raising activities.

The Company believed its shareholders best interests were served by introducing another broker into any future capital raising activities and spent some time in negotiation with Bell Potter to achieve that outcome.

The Company regularly considers its capital raising requirements, and since the Hemi discovery announcement on 6 February 2020 it has been offered capital raising opportunities on a regular basis. The share price of De Grey has risen dramatically since that discovery and continued to do so during April. It is in the context of the recent exploration success, ongoing exploration expenditure, the price of gold and the general environment for listed gold companies that it would not be unreasonable for De Grey to consider raising capital.

During that period the Company did not initiate any broker discussions but did field a number of approaches as noted in our ASX release titled “*Response to AFR Article*” dated 16 April 2020. The approaches were not pursued by the Company as they did not provide for the register that the Company was seeking and at that time the Company had not determined the mechanism, quantum, nor timing of any proposed raising.

With the ongoing strength in the share price of the Company the Company re-assessed its position once it had provided a drilling update on Aquila and Brolga on 22 April 2020 as:

- It was aware that there was significant interest in the Company from blue chip global resource and gold funds who would provide the register the Company was trying to build; and
- It had achieved an outcome from Bell Potter on sharing the capital raising through a Joint Lead Manager role.

A formal capital raising mandate from Bell Potter and Argonaut as Joint Lead Managers was delivered to the Company on 22 April 2020 for consideration. The Company held a board meeting after the close of the market on Wednesday, 22 April 2020. At that meeting capital raising proposals were tabled for consideration by the board.

The board approved the execution of the JLMM in that meeting and it was subsequently email delivered to each of Bell Potter and Argonaut immediately after the board meeting on 22 April 2020.

The trading halt was requested and granted pre-open on 23 April 2020.

4. *When did DEG first initiate the Placement? As part of your response, please confirm when DEG signed the mandate/s relating to the Placement with Bell Potter, Argonaut and Azure respectively*

Please see the response in paragraph 3.

On 10 March 2020, the Company appointed Azure as corporate advisors. The engagement was a general engagement and not specific to the capital raising set out in the Announcement. The engagement also included the provision of advice in relation to the possibility of a placement to an industry corporate. Azure did however provide valuable support to the Company during the Capital Raising Activities.

5. *If the answer to question 1 is “yes” and DEG first became aware of the Information before the Relevant Date, did DEG make any announcement prior to the Relevant Date which disclosed the information? If so, please provide details. If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe DEG was obliged to release the information under Listing Rules 3.1 and 3.1A (particularly in light of the Article) and what steps DEG took to ensure that the information was released promptly and without delay.*

For the reasons set out in response to paragraph 3, and because the Company had not decided to proceed with a capital raising, either informally or formally, until the Board made the decision to proceed at around 6pm on Wednesday 22 April 2020, the Company considers there was no information in relation to this matter for disclosure until the time of that Board decision.

6. *Please confirm that DEG is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

The Company confirms it is in compliance with the Listing Rules and in particular Listing Rule 3.1.

7. *Please confirm that DEG’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DEG with delegated authority from the board to respond to ASX on disclosure matters.*

This ASX report is authorised for release by the De Grey Board.

**For further information:**

**Simon Lill** (*Executive Chairman*) or

**Craig Nelmes or Pat Holywell** (*Company Secretaries*)

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